(c) The Confederation of Indian Industries signed a Memorandum of understanding with the Israel Export Institute providing inter-alia for exchange of information about products and industrial processes, economic and commercial matters and arranging seminars, courses and confederences and to undertake studies for developing specific programmes.

Free port at Kanyakumari

3669. SHRI S. AUSTIN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have taken steps for setting up a free port at Kanyakumari, Tamil Nadu as proposed by the Advisory Committee of Government of India; and

(b) if so, the details thereof indicating the action proposed to be taken in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): (a) The Free Port Committee has not recommended the location of a Free Port at Kanyakumari, Tamil Nadu.

(b) Does not arise.

Tobacco Board activities

3670. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal to extend Tobacco Board activities to non F.C.V. Tobacco;

(b) if so, at what stage of considera tion is the same;

(c) what are the reasons for the delay in its implementation;

(d) what is the target rate to execute the same; and

(e) what steps have been taken to speed up the process?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): (a) to (e) A Bill was introduced in the Lok Sabha on 20th August, 1990 by which the provisions of the Tobacco Board Act for regulating production and marketing of virginia tobacco were intended to be made applicable to non-virginia tobacco in a phased manner. Howeve, because of the dissolution of Lok Sabha on 13th March, 1991, the Bill lapsed. The proposal now requires further evaluation in view o the budgetary support required.

Recommendations of extreme focus set up by Board of Trade

3671. SHRI RAMDAS AGARWAL:
SHRI SHANTI TYAGI:

Will the Minister of COMMERCE be pleased to refer to the answer to Unstarred Question 1705 given in the Rajya Sabha on 12th May, 1992 and state:

(a) whether Government have examined the recommendations of the extreme focus group set up by the Board of Trades (BOT) in the Ministry of Commerce with a view to revising the established norms and procedures;

(b) whether it is a fact that the group has suggested wide ranging changes in financing foreign exchange and insurance procedure for the export of a cluster of 34 products as reported in the Indian Express dated the 22nd July, 1992 under its column "Business Express".

(c) if so, what are the details thereof including name of agency going to monitor such exports besides other specific re-commendations of the Group; and

(d) what are the likely recommendations of extreme focus group going to be accepted by Government for early implementation?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): (a) The recommendations are still under examination.

(b) Yes, Sir.

(c) (i) On the issues involving Financing, Foreign Exchange and Insurance there are 15 recommendations including 8 for immediate implementation and 7 for medium term implementation. The details of the recommendations are given in the attached Statement. (*See* below)

(ii) The issue relating to nominating an agency to monitor these exports will be determined only after the recommendations are examined.

(iii) There are 70 other specific recommendations on issues involving Policy, Procedure, Infrastructure & Institutional frame work. Of these 42 have been recommended for immediate implementation, 21 for medium term implementation and 7 for long term implementation.

(d) The recommendations are still under examination.

Statement

Recommendation relating to Financing, Foreign Exchange & Insurance Interest Rates—

1. Interest rates on rupee pre and post shipment credit to be reduced to International levels (6-9% p.a.).

2. Interest rates on finance for capital investment for export production to be reduced.

Interest credit availability:—

1. No restrictions on grant of export credit for extreme focus products, such credit to be outside CAS norms and to include finance against IPRS claims.

2. Debt-equity norms to be relaxed for captial investment in extreme focus products.

3. Single point clearance for exporters to arrange currency loans in international market with minimum procedures to be introduced.

Foreign Exchange Policy Relaxations:—

1. Exporters of extreme focus products to be permitted to convert higher percentage (70-75%) of export proceeds at market related exchange rate.

2. Exporters to be allowed total freedom in the use of 15% of their export earnings retained in foreign currency accounts.

3. Payment of warranty claims (c. 8 on vehicles) to be permitted in free foreign exchange without restrictions.

4. Exports on consignment basis to be permitted with 180 days period for realisation of export proceeds to be reckoned from the date of sales from the warehouses abroad instead of from the date of shipment.

5. Exporters to be allowed to retain full 60% of their export proceeds in foreign currency accounts upto a maximum period of 180 days.

6. Exporters to be allowed to replace the exported goods or refund payment received to overseas buyers in the event of the goods exported being found unsatisfactory.

Enlarged Insurance Coverage:—

1. GIC to evolve scheme for covering product liability of exporters of extreme focus products.

2. ECGC risk cover to be more flexible and comprehensive taking into account requirements of individual industries.

3. ECGC to formulate a scheme on lines of ECGD of the UK to enable companies to bid on firm basis.

4. GIC to evolve liberal crop insurance scheme and infrastructure insurance for exports, against natural calamities.

Export of Iron ore

3672. SHRI VISHWASRAO RAMRAO PATIL: Will the Minister of COMMERCE be pleased to state:

(a) the quantity and value of exports of iron ore made from Goa during the year 1991-92, grade-wise; and

(b) the incentives being given to exporters of iron ore and the incentives